



WORLD BANK NEWS

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LENDING

Russian Clean-Up Environment Project to Fight Pollution Old and New

The vast oil spill recently reported in the Komi Republic of Arctic Russia is a potential candidate for cleanup under a new World Bank-funded environmental program in Russia. The program is part of \$110 million loan, approved November 8, to help Russia upgrade its environmental protection systems and clean up pollution like the Komi spill.

"This is just the type of project that could be financed under the program," says Roger Batstone, principal environmental engineer in the Bank's Russia department and task manager for the loan. "The Russians would be recovering a valuable resource at the same time they're

cleaning up the environment."

The Environmental Management Project—the Bank's first environment focussed loan to Russia—will help the country begin to reverse more than 70 years of environmental neglect and to re-

place its fragmented, uncoordinated environmental management system with a more-effective, decentralized one.

The harm to the environment in that time has been severe and widespread. Russia's characteristic massive industrial

complexes, and associated pollution, are found in most parts of the country: heavy industries in the West, oil and gas production in Siberia and mining in the eastern regions. The environmental degradation is evident in Russia's cities, rivers, lakes and estuaries and in its shrinking forests and endangered plants and animals.

But while the problems are dis-
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Slinging sludge.

AP Photo/A. Zemlianichenko

An IDA credit will help Georgia rebuild critical urban infrastructure.

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Bank President Lewis Preston is travelling to three republics in the Former Soviet Union.

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Albania works to bring its health system back from near collapse.

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READER
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Bank Helps Russia Reverse Decades of Environmental Neglect

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persed, the overall mismanagement in large part can be traced back to centralized, inefficient economic development that largely ignored environmental concerns.

"With central planning, they were concentrating on production, not efficiency," says Batstone. "A lot of resources were wasted and large areas of land and water were polluted."

Now, with Russia shifting to a free-market economy, decentralization holds new promise for solving problems in environmental and natural resources management. As authority devolves to regional and local governments, unprecedented opportunities open up for strategic, targeted environmental work.

"Planners in Moscow had a lack of awareness of local conditions," Batstone says. "I've seen heavily polluting factories that they located upwind of a city. Now local and regional authorities are taking on responsibility for their own environmental management, and there's much more pressure from local people to solve these problems."

The new \$194.8 million Environmental Management Project—funded by the Bank loan, the Russian government and Russian enterprises and banks—is designed to encourage system-wide changes as well as address specific problems such as pollution and hazardous waste management. The project will work at all levels to help governments do the following:

- incorporate environmental and natural resource management concerns into the social, economic and political adjustment process;
- strengthen and streamline the institutions responsible for protecting and preserving the environment;
- improve how environmental policies are made;
- help facilitate the flow of funds from international donors and agencies to environmental protection efforts.

A key part of the project will establish a new pollution abatement fund to clean up spills such as the Komi oil spill and other contaminated water, air and soil. These operations will pay for themselves by recovering harmful pollutants—such as spilled oil, copper tailings or discharged

refinery gasses—and reselling them as usable materials. Such clean-ups also help reduce the economic costs of natural resource loss and pollution.

For more information on the Environmental Management Project, contact Al Drattell at (202) 473-1787. □

How Bad is Russia's Environment

- 43 cities need urgent measures to reduce high levels of air pollution.

- Russian industries discharge more sulfur dioxide—which causes acid rain—than Belgium, France, the Netherlands, the United Kingdom and (West) Germany combined.

- Contamination of rivers and lakes is common.

- Federation industries safely dispose of less than 12 percent of their industrial waste.

- Approximately 30,000 tons of banned pesticides await destruction.

- Radiological contamination and nuclear waste disposal are major problems.

- 20 to 22 percent of trees harvested still goes for fuelwood.

- Waste of wood by-products is widespread.

- Deforestation has contributed to soil erosion.

- 13 million hectares (32.1 million acres) of land suffer from soil erosion;



World Bank

12 million hectares (nearly 30 million acres) have been lost to construction and roads, and 3 million hectares (7.4 million acres) to irrigation systems; 10 million hectares (24.7 million acres) have been flooded for reservoirs; and 2 million hectares (4.9 million acres) have been damaged by open-pit mining.

- Fish harvests from lakes, rivers and estuaries have declined from over-fishing, urban and industrial effluent, dams and reservoirs, increased salinity, and diversion of water for irrigation.

- 553 species of higher plants and 463 species of fauna are considered endangered.

World Bank President Visits Republics

Economic reform is crucial to ending environmental pollution which threatens lives in Eastern and Central Europe, Bank President Lewis T. Preston said during a visit to the region this week.



Lewis T. Preston

"All across Eastern and Central Europe, water and air pollution continue to threaten peoples' health and livelihoods," said Preston. "The previous system's underpricing of energy encouraged environmentally harmful—as well

as economically inefficient—industries and technologies. While helping countries to implement policies that can strike at the heart of this issue, the Bank is also supporting a series of specific environmental projects."

All across Eastern and Central Europe, water and air pollution continue to threaten peoples' health and livelihoods.
—Lewis T. Preston

Preston, along with Wilfried P. Thalwitz, Bank vice president for Europe and Central Asia, is visiting the three former Soviet Union republics—Russia, the Kyrgyz Republic and Kazakhstan—to discuss the World Bank's role in supporting their transition to market economies. In Russia, the discussions are likely to focus on developments in energy and the environment, including regional implications, as well as the growth of the private sector and private commercial banks. Preston plans to meet with leaders of the three countries he is visiting. □

Georgia to Shore Up Shattered Infrastructure

When Georgia became the first republic to break away from the Former Soviet Union in the spring of 1991, it was relatively well off with good potential for economic growth. But since independence, the country along the Black Sea has been racked by civil wars, trade upheavals and an earthquake. The economy has been devastated, further complicating the country's difficult transition to a market system, and Georgians have suffered severe hardships.

But since late 1993, armed conflict has subsided and the government has turned its attention to maintaining stability and rebuilding the economy and social services. To help Georgians improve their lives, the International Development Association (IDA) on November 8 approved an \$18 million credit for some of the country's most pressing urban infrastructure needs.

The IDA project aims to stem the decline—and head off the possible collapse—of basic urban services in a country where more than half the people live

in urban areas. Additionally, thousands of refugees have flooded the cities, putting extra strains on already weak systems. After immediate needs are met, the project will begin longer-term rehabilitation work.

In selected municipalities—including the major cities of Tbilisi, Poti and Batumi—the project will begin work on damaged urban transport networks, failing water supply and waste water systems and polluting solid waste facilities.

The projects address a range of infrastructure and services essential to public health, safety and morale:

- A first priority will be to "winterproof" more than 200 schools and hospitals before the coldest weather sets in. Some of them were closed for three months last winter, and again face the coming cold with doors and windows shattered by civil conflicts; some need their entire heating systems renovated.

- Much of the project is dedicated to restoring public transportation systems that are on the verge of collapse. Spare parts

See GEORGIA, page 6



Bolivia's Reform Efforts Win International Backing

International donors meeting in Paris last week pledged more than \$1 billion to help Bolivia continue its sweeping economic reform program in 1995. Bolivia's reforms, including a second wave of efforts just beginning, show signs of reversing the tide of the country's long-standing problems of poverty, debt and meager economic growth.

Delegates from 24 donor countries and international organizations at the Consultative Group for Bolivia—meeting under World Bank auspices to coordinate financial and technical assistance to the country—hailed Bolivia's recent economic performance. A strict austerity program and a range of reforms coaxed the economy along at about 4.2 percent growth in 1994, and has subdued inflation to about 7 percent a year, down from a mid-1980s high of more than 20,000 percent. Exports are expected to climb by almost 30 percent in 1994, resulting in lower current account deficits.

The group reviewed these main elements of Bolivia's ambitious reform agenda: opening up large state enterprises to private capital investment; popular participation; education and pension reform; and modernization of the state.

The government's "capitalization" program is an innovative plan to free the economy of cumbersome state control. Under the program, the government will transfer up to half the ownership and full management control of six public industries—which dominate key parts of the economy—to private international partners in exchange for capital investment. The remaining shares—50 percent of each company—will be divided equally among all 3.2 million adult Bolivians. Their stake will be in the form of shares to be managed by pension funds until their retirement.

As the state withdraws from productive sectors, public investment will be devoted mainly to social and infrastructure development.

Despite Bolivia's impressive gains, donors said economic growth must be faster and additional measures are needed to reduce poverty. Bolivian delegates, too, stressed the need for a second generation of reforms to overcome the remaining stubborn structural blocks to growth and poverty reduction.

Many of the donors, who overall said they expect to commit about \$1.05 billion to Bolivia in 1995, renewed their commitments to the country's education reforms, which will lead to long-term gains for the poor. But they also stressed the need for parallel effort to reduce poverty more quickly, especially in rural areas. □



Little beneficiaries.

Donors Pledge Funds for Mongolia

Mongolia this week won pledges of \$210 million in assistance for 1995 from donors meeting in Tokyo.

The increased pledges—the highest amount offered since Mongolia began its political and economic reforms in 1990—come in light of the country's improving economic performance. Inflation is expected to fall significantly this year, while GDP growth—after

four years of contraction—is projected to grow by 2.5 percent in 1994.

The meeting, sponsored by Japan and the World Bank, brought together the Mongolian government and 25 donor countries and six international organizations. Delegates, applauding the country's reform progress, agreed to emphasize poverty relief and energy sector development.

DEVELOPMENT AGENDA

Date	Event	Sponsor	Location	Telephone
NOVEMBER				
6-11	Third International Congress on Energy, Environment and Technological Innovation	Central University of Venezuela/ University of Rome "La Sapienza"	Caracas, Venezuela	(58-2)693-1103
10-11	Gender Symposium	World Bank/Inter-American Development Bank	Washington	(202)473-3764*
15-16	Viet Nam Donors' Meeting	World Bank	Paris	(33-1)4069-3016
16-23	Fifth African Regional Conference on Women	United Nations	Dakar, Senegal	(251)1-51-1263
17-18	Regional Conference on East-West Economic partnership and Bretton Woods after 50 Years	Robert Triffin-Szirak Found- ation/European League of Economic Cooperation	Brussels	(202)473-1797*
17-18	Tanzania Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
21-22	First African Development Bank Conference in South Africa	African Development Bank	Johannesburg, South Africa	(27-11)883-3737
21-22	Georgia and Armenia Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
21-25	Banking with the Poor: Third Asia-Pacific Regional Workshop	The Foundation for Development Cooperation	Brisbane, Australia	(61)7-236-4633
29-Dec. 2	10th Annual Conference of the Center for Environmental Information	Center for Environmental Information	Washington	(716)262-2870*
DECEMBER				
7	Kyrgyz Republic Investors' Meeting	World Bank	Paris	(33-1)4069-3016
8-9	Zambia Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
12-13	Malawi Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016

Editor's Note: *Development Agenda* is a feature that alerts journalists to key news events in the field of economic development. Journalists should contact sponsoring agencies for details about each event. Asterisk (*) indicates telephone number is in the U.S.A. All other telephone numbers include country and city codes.

GEORGIA, from page 3

The overall aim of the Bank's work is to help the country reverse its economic declines of the past few years and move to sustainable growth through private-sector, market-based reforms. Thus, a second part of the project will help strengthen those local agencies charged with carrying out new policies. This component will set up a temporary, independent development agency to help carry out the infrastructure repairs as quickly as possible. And local governments will get specialized advice and training in housing, pollution control and other pressing urban needs. □

But other indicators reflect the health crisis. Infant and maternal mortality, for example, remain two to four times higher than in most European countries. □

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WORLD BANK NEWS

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CONSULTATIVE GROUPS

Backing Viet Nam Donors Promise \$2 Billion Toward Reforms

Governments and international aid agencies this week gave strong backing to Viet Nam's promising economic reform program by pledging \$2 billion in assistance. The pledges come on top of the \$1.8 billion promised last year.

The Consultative Group meeting—held November 15 and 16 at the Bank's Paris office—brought together 16 bilateral and 17 multilateral donors. The meeting was chaired by the Bank's Callisto Madavo, and Viet Nam's delegation was led by Do Quoc Sam, Viet Nam's Chairman of the State Planning Committee.

"Viet Nam is on the right track," Madavo said. It "remains a very poor country, and several strong years of growth mark the beginning, not the end, of the reform process. But clearly, Viet Nam has in a short time, earned the respect of the international community."

Sam, reporting on the progress of Viet Nam's doi moi, or "economic revolution," highlighted the country's robust 8.5 percent growth rate in 1994 and the low level of inflation. The government's priorities for 1995 include:

- reform of state enterprises and the budget;
- private sector development;
- financial system reform;
- further openness to foreign trade and investment;
- rural and agricultural development.

Since 1989, Viet Nam has been involved in an ambitious adjustment and reform program and has been making the transition from a planned economy to a market-based system. Consistent with the government's program, Bank lending to Viet Nam has had a strong poverty focus. Three IDA projects are helping to improve schools, a major highway and credit extension to poor farmers. A structural adjustment credit of \$150 million was approved last October. All told, the Bank has lent Viet Nam a total of almost \$475 million on concessionary terms.

Viet Nam is still a very poor country. It has a GNP per capita of less than \$200 a year, and life expectancy is 67 years. But since the reform program began, inflation has fallen from 400 percent in 1988 to 5.2 percent in 1993. The country no longer imports rice but has become that commodity's third largest exporter. The



Looking brighter.

strong growth of the recent past is expected to continue in the future.

One of Viet Nam's assets is a literacy
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World Bank

A Bank expert on Viet Nam discusses the country's progress.

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The Bank teams up with a founder of the Green Revolution to boost African agriculture.

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Sven Sandstrom on Japan and the World Bank.

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A Bank gathering highlights gender issues in development.

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Viet Nam Poor but Promising

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rate comparable to that of a country with five times the income level. Education and health are better than in many other low-income countries. Malnutrition rates, however, are high: almost half of all children less than five years old are stunted.

Participants at this second Consultative Group meeting agreed that Viet Nam's development efforts warranted large-scale support from the international community. Donors emphasized the need for broad reforms covering the legal system, public administration, state enterprise, banking, and foreign trade and invest-

ment. Participants also exchanged views on a number of important issues, including further efforts at poverty alleviation, environmental protection, and human rights.

For more information on Viet Nam and the World Bank, contact Peter Stephens at 202 458-0344. □

Whither Viet Nam?

Economist David Dollar has been a main architect of the Bank's Viet Nam program. He discussed the country's prospects—and problems—with World Bank News.

WBN: After being isolated for so long, Viet Nam has been getting a lot of international attention in the last few years, from the media, from investors and from international agencies like the World Bank. What's creating all the interest?

David Dollar: Viet Nam has been doing well for several years now. They've grown continuously at about 7 percent a year since they started their reform program in 1989. They've been able to bring inflation under control more successfully than the other transition economies, down from around 400 percent single digits, and they did it without a recession. That's quite an achievement.

WBN: Is the country poised, as some observers have said, to become the next East Asian "miracle" economy?

Dollar: Certainly Viet Nam has the potential to be another successful economy like the East Asian tigers; they've made an excellent start with reform. But we need to be cautious. It is still a very poor country. You only need to look back five or six

years to see it really in quite disastrous economic shape. Fifty-one percent of the population is still below the poverty line as we measure it, and they have a long way to go with different types of structural reform measures that are not easy. If they pursue the reforms, they could very well be another successful economy in that mold, but it's important to emphasize that this is still a low income country that has a long way to go.



David Dollar

WBN: What is the World Bank doing to help?

Dollar: Our lending to Viet Nam resumed in 1993, but we've had an active dialogue

with them since 1989, the beginning of rapid reform. That's involved training for government officials, policy seminars and preparing regular reports.

We're still doing that, but now we're also lending them money from our highly concessional IDA resources. In this fiscal year, we plan to lend them about \$450 million. That's a substantial amount of money to help Viet Nam.

Some of that will go to deal with infrastructure bottlenecks. A lot of it will be targeted in different ways to reduce poverty. We have a project that will rehabilitate irrigation, mostly in the central part of Viet Nam, which turns out to be the poorest part of the country. And we are preparing projects dealing with family planning, child nutrition and maternal health and other fundamental social services, with a particular focus on reaching poor households.

WBN: What are the big economic challenges ahead?

Dollar: Viet Nam is in transition from a command to a market economy and they still face a range of reforms. They need a whole different type of legal system, different laws, economic courts. They're working on that, but it's a big challenge. The financial sector plays a completely different role

See DOLLAR, page 4

Bank Joins with Green 'Revolutionary' to Boost African Agriculture

The World Bank and Norman Borlaug, one of the legendary pioneers of the Green Revolution, have joined forces to help African farmers grow more food.

Borlaug, who won the 1970 Nobel Peace Prize for his yield-boosting innovations that led to the Green Revolution, and his Sasakawa-Global 2000 agricultural program, will work closely with the Bank on efforts to bring better techniques and training to African farmers. Early joint efforts will target national extension services, private enterprise pilot schemes—so farmers can get improved seed, fertilizers and credit—and training, especially for mid-career extension workers.

Borlaug and Edward Jaycox, Bank Vice President for Africa, announced the partnership last week at a forum on the future of African agriculture held at the Bank's Washington headquarters.

Sasakawa-Global 2000 is a joint effort of two non-governmental organizations (NGOs)—the Sasakawa Africa Association, which has Borlaug as its president, and Global 2000, whose chairman is former U.S. President Jimmy Carter. The program is funded by the Sasakawa Foundation of Japan. The group has been working at the grass-roots level in eight African countries to bring improved crop technology to small-scale farmers.

"Our SG 2000 organization has great flexibility to design and test agricultural development initiatives on a pilot scale," said Borlaug at the forum, "while the World Bank can finance the much larger-scale investments needed to strengthen African governmental institutions."

For its part, the Bank, which supports agricultural development and poverty reduction in more than 40 African countries, will "increasingly focus on the essentials—development impact, field focus, country commitment and getting results on the ground," Jaycox said. "Building partnerships with NGOs, both African and international, is an integral part of our strategy to achieve these objectives."

After working for nearly nine years

with thousands of extension workers and 200,000 farmers who grew small demonstration plots, Borlaug's team learned three basic lessons, he told the forum.

- Yields in many of the staple food crops can be doubled and even tripled, using technologies that are relatively simple and environmentally sustainable.

- Africa's extension workers can make a significant impact by accelerating the spread of these improved technologies, but donors need to make a long-term financial commitment to support them.

- African governments and international development organizations have to take an active role in promoting the private agribusiness sector. "A hands off, laissez faire approach is not sufficient to spur rapid development of these essential services," Borlaug said.

The planned emphasis on improved seeds and fertilizers, as well as better farming, will not only boost food crops but also help protect the environment, Borlaug said. Pressure will ease on forests and grasslands, so preserving the natural resource base and protecting wildlife habitats.

Former president Jimmy Carter, in a message to the forum, applauded the new partnership. "This is the kind of international collaboration needed to give African agriculture a much-needed boost," Carter said. □



A better patch ahead.

SPEECH

Japan: "What the Bank is all About"

World Bank Managing Director *Sven Sandstrom* is in Tokyo this week to meet with government officials and the press. Below are excerpts from his address to a symposium on the Bank's 50th Anniversary on the important partnership between Japan and the Bank. Japan has gone from being the Bank's largest borrower to its second-largest shareholder.

For most of the 50 years that the Bank has been in operation, Japan has been our partner—a partnership which we count among our most important and most successful. Indeed, in many respects, Japan is what the Bank is all about.

Barely a generation ago, Japan was our

largest borrower. Joining hands with you in the postwar reconstruction effort, the Bank is proud to have helped to finance some of the projects which have contributed to Japan's growth into a major economic power. To help your country's private sector rebuild itself, the Bank also formed a successful partnership with the Japan Development Bank. Through this partnership, a large number of private companies gained access to much-needed long-term loans and scarce foreign exchange (many of those businesses were small then, but their names are now well known around the world); and countless jobs were created—multiplying perhaps

See SANDSTROM, page 6

Gender Must Figure in Fighting Poverty Bank Symposium Highlights Inequalities

In India, millions of widows are without jobs or pensions, but often are not allowed to re-marry because of religious and cultural beliefs.

In China, despite laws giving men and women equal access to land, a woman's land rights can be usurped by her husband's kinsmen.

In many developing countries, girls have less access to education and health services than boys.

These are some of the examples—cited last week at a World Bank symposium on gender and development—that illustrate the need to incorporate gender issues and inequalities in the fight to reduce poverty. The first-of-its-kind, two-day conference, co-sponsored by the Bank and the Inter-American Development Bank, was convened to update Bank staff on recent research into gender issues.

Leading academics were invited to share their findings as a way "to sensitize Bank staff to consider economic and poverty issues more from a gender viewpoint, to make Bank staff aware of the cutting edge research on gender issues that is now being done by academics, and to build a bridge on gender work between donor institutions and the academic community, according to Minhchau Nguyen, the Bank's manager of Gender Analysis and Gender Policy.

The symposium—attended by staff from throughout the Bank—focused on three areas of recent gender research that are emerging issues in the Bank's work: intra-household issues, social security and social insurance systems, and property rights. These are the fields where the most pioneering research work is being done, Nguyen says, and areas where research needs to shape development programs.

Research on households, for example, can illustrate hidden disparities. Typically, when allocating resources to a poor country, the household is treated as a unit, and income differences are measured be-



She must be considered.

tween households. But inequalities between men and women, in a society and within households, are often overlooked, according to Amartya Sen of Harvard University.

"Gender inequalities have to do with cultural attitudes, with a woman's access to family planning services, differences in how well sons and daughters are nourished, differences between a son's and a daughter's access to education and health services, differences in male and female

mortality rates, and shifts in the degree of control a wife has over her home and family," Sen said in his presentation.

Redressing inequalities, participants said, is difficult even where programs are operating well. In Bangladesh, programs have given women greater access to small-scale credit—women receive 50% of rural credits from the government, specialized agencies like the Grameen Bank, and non-governmental organizations. But fewer than 20 percent of these women are able to maintain full control over the funds, according to research by Anne Marie Goetz of Sussex University, United Kingdom.

Women can be helped when gender issues play a role in development planning. But in Latin America, as in other regions, female-headed households are still rarely targeted for social programs, even though the numbers of such households in many countries increased dramatically in the 1980s, and there is evidence that such households are far poorer than male-headed households.

Likewise, social security reform policies—driven by demographic and economic concerns—are shaped without concern for gender issues, according to the academics at the symposium.

For more information on the Bank's Gender Symposium, please contact Klas Bergman at (202) 473-3798. □

Trade is One Key to Viet Nam's Future

DOLLAR, from page 2

in a market economy and they start out with a very limited financial sector that needs a lot of strengthening. The overall savings rate is low, therefore financing for investment is not available.

In trade, they've done a lot to open up their economy to the outside world, which has been one of the keys to success

in other East Asian countries. Viet Nam has made a lot of progress liberalizing foreign trade and investment, but there're still quite a few impediments in place. That's a very important part of the reform agenda over the next five years, further liberalizing the import regime, streamlining the tariff code and making it easier for foreign investors to come in and set up facilities in Viet Nam. □

DEVELOPMENT AGENDA

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NOVEMBER				
16-23	Fifth African Regional Conference on Women	United Nations	Dakar, Senegal	(251)1-51-1263
17-18	Regional Conference on East-West Economic partnership and Bretton Woods after 50 Years	Robert Triffin-Szirak Foundation/European League of Economic Cooperation	Brussels	(202)473-1797*
21	Meeting of Parliamentarians	U.S. Congress	Washington	(202) 225-4247*
21-22	First African Development Bank Conference in South Africa	African Development Bank	Johannesburg, South Africa	(27-11)883-3737
21-22	Georgia and Armenia Consultative Group Meetings	World Bank	Paris	(33-1)4069-3016
21-25	Banking with the Poor: Third Asia-Pacific Regional Workshop	The Foundation for Development Cooperation	Brisbane, Australia	(61)7-236-4633
29-Dec. 2	10th Annual Conference of the Center for Environmental Information	Center for Environmental Information	Washington	(716)262-2870*
DECEMBER				
1	AIDS Summit	French Gov't/WHO	Paris	(202) 861-3200*
7	Kyrgyz Republic Investors' Meeting	World Bank	Paris	(33-1)4069-3016
8-9	Zambia Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
12-13	Malawi Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016

List your event. If you know of an upcoming event of interest to development journalists, we invite you to submit it to the *World Bank News Development Agenda*. At least five weeks in advance, inform us in writing of the event, its sponsor, time, place and a contact phone number. We will list events based on appropriateness and space available. Write us at: *World Bank News, Development Agenda*, 1818 H St., N.W., Room T-8036, Washington, D.C. 20433. Or on the Internet at: wbnews@worldbank.org.

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Japan is Critical to Bank Operations

SANDSTROM, from page 3

into millions over the years.

By 1966, Japan no longer needed the Bank's financing and, in 1990, paid back the last penny owed to us. In between, every single payment arrived on time, every time. Today, Japan is the Bank's second largest shareholder—and this country's strong backing for our capital base is critical to our "triple-A" financial rating.

Task Force on Banks to Meet

The first meeting of the Task Force on the Role of the Multilateral Development Banks will take place in Washington December 6 and 7.

The task force, formed by the Development Committee of the World Bank and the IMF at the request of the U.S. administration, will look into the priorities and activities of five multilateral development banks: the World Bank, the Asian Development Bank, the African Development Bank, the Inter-American Development Bank and the European Bank for Reconstruction and Development.

The special group will assess the implications of economic change on the development priorities, instruments, operations and management of the banks and consider whether improvements could strengthen their impact on the development process.

For more information, contact Peter Mountfield at (202) 458-2980. □

Japan is also a vital donor to our affiliate, IDA. Without your country's contribution, IDA would be severely handicapped in its capacity to assist the world's poorest countries with concessional funds. Japan's financing of the PHRD Program has played a key role in guiding

the Bank's technical assistance activities. In addition, Japan is an important contributor to the Global Environment Facility—and your country's commitment to environmentally sustainable development is a model for the international community. □

WEEKLY LENDING ROUNDUP

PAKISTAN

A \$216 million World Bank loan to Pakistan, approved November 15, will help the country continue reforming, and deepening, its financial sector. Most of the loan will provide a line of credit for on-lending to qualified, financially sound private enterprises. Under the project, Pakistan will continue to strengthen the banking system with policy reforms.

SWAZILAND

Swaziland's urban population is growing rapidly, too rapidly for basic services to keep pace. As the first stage of a long-term urban development plan, a Bank loan of \$29 million, approved November 15, will help Swaziland form good growth and planning policies, bolster urban agencies and restore some vital services. The project will, among other things, rehabilitate city roads, develop new solid waste sites and prepare new housing sites.

ZAMBIA

Zambia has embarked on a plan to reform its inefficient health system, which has not been able to meet the growing need for basic health services. An IDA credit of \$56 million, approved November 15, aims to help the government refine its basic health policies and to help the districts take over more of the system. The project will also help with monitoring and quality control.



UNICEF/Carolyn Watson

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